

## Message Text

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PAGE 01      WARSAW 05195 201436Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 ICA-11 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-07 OMB-01 CEA-01 PA-01 CIAE-00  
COME-00 FRB-03 INR-10 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 AGR-05 /097 W  
-----002887 201516Z /53

R 201042Z JUN 78  
FM AMEMBASSY WARSAW  
TO SECSTATE WASHDC 5728  
INFO AMEMBASSY BELGRADE  
AMEMBASSY BERLIN  
AMEMBASSY BUCHAREST  
AMEMBASSY BUDAPEST  
AMEMBASSY BONN  
AMCONSUL KRAKOW POUCH  
AMCONSUL LENINGRAD  
AMEMBASSY LONDON  
AMEMBASSY MOSCOW  
AMEMBASSY PARIS  
AMCONSUL POZNAN POUCH  
AMEMBASSY PRAGUE  
AMEMBASSY SOFIA

C O N F I D E N T I A L WARSAW 5195

EO 11652: GDS  
TAGS: ETRD ECON EPAP SOCI PINT PL  
SUBJ: KRAKOW RUMORS OF PLANNED INCREASES IN MEAT PRICES

REF: (A) WARSAW 4955 (NOTAL), (B) WARSAW 4660 (NOTAL)

1. SUPPLEMENTING THE EMBASSY'S REPORTING OR RUMORS OF SHARP  
INCREASES IN MEAT PRICES AND OF ACTUAL INCREASES  
OF PRICES IN SPECIAL "COMMERCIAL" MEAT SHOPS, CONSULATE  
KRAKOW REPORTS SOURCES IN KRAKOW AND NEARBY AREAS AS SAYING  
THAT ACROSS-THE-BOARD INCREASES IN MEAT PRICES, IN SOME  
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PAGE 02      WARSAW 05195 201436Z

CASES BY AS MUCH AS 100 PERCENT, WERE SCHEDULED TO GO INTO  
EFFECT IN KRAKOW EARLIER THIS MONTH.

2. ACCORDING TO THESE SOURCES, THE PRICE INCREASES WERE  
APPROVED BY THE CENTRAL GOVERNMENT TO TAKE EFFECT JUNE 5  
THIS DATE WAS LATER POSTPONED TO JUNE 12, AND ONCE AGAIN  
THEN POSTPONED AGAIN. ONE SOURCE REPORTED

THAT INDIVIDUAL WOJEWODAS  
(PROVINCIAL GOVERNORS) HAVE NOW BEEN GIVEN AUTHORITY TO  
CONFIRM OR REJECT THE NEW PRICE LIST. ANOTHER INDICATED  
THAT PARTY FIRST SECRETARY EDWARD GIEREK MADE A HURRIED TRIP  
TO SILESIA JUNE 11 AND 12 BECAUSE OF PROTEST STRIKES AT FOUR  
LARGE MINES WHEN NEWS OF THE PROPOSED PRICE HILES LEAKED OUT.  
( THE CONSULATE CANNOT CONFIRM THIS REPORT.)

3. IT IS ALSO REPORTED IN KRAKOW THAT "SPECIALTY" MEATS,  
SUCH AS FILET MIGNON, CANNED HAM, AND "EXTRA"-  
GRADE SAUSAGE WILL GO UP ABOUT 100 PERCENT.  
THESE ITEMS HENCEFORTH WOULD BE SOLD ONLY IN "SPECIALTY"  
SHOPS, TO BE NEWLY ESTABLISHED. BASIC MEATS WOULD GO UP  
AROUND 30 PERCENT, WITH OEHR PRICES RANGING IN BETWEEN.

4. PEOPLE IN THE KRAKOW AREA WILLING TO DISCUSS THE  
INCREASED PRICES SAY THE GOVERNMENT HAS MADE  
SPECIAL EFFORTS TO KEEP THE INFORMATION FROM LEAKING, BUT  
WITHOUT SUCCESS. THEY ALSO SAY THAT NO TUBLIC ANNOUNCEMENT  
OF THE CHANGES WILL BE MADE AND THAT PRICES WILL SIMPLY  
BE RAISED.

5. EMBASSY COMMENT. THESE REPORTS CONFORM WITH SIMILIAR ONES  
PREVALENT IN WARSAW EARLY THIS MONTH, WHICH  
WERE FOLLOWED BY LARGE INCREASES IN THE PRICES OF MEAT  
SOLD IN SPECIAL "COMMERCIAL" SHOPS NOT SUBJECT OREGULAR,  
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PAGE 03      WARSAW 05195 201436Z

STATE-CONTROLLED PRICES. AS THE EMBASSY HAS REPORTED IN  
REFTELS, SENIOR GOP OFFICIALS CONCERNED WITH INTERNAL  
ECONOMIC POLICY, INCLUDING THE DIRECTOR OF THE ECONOMIC  
ADVISORY GROUP FOR THE CENTRAL COMMITTEE OF THE PZPR,  
IN CONVERSATIONS WITH EMBASSY OFFICERS OVER THE PAST SEVERAL  
WEEKS HAVE INSISTED THAT THERE WILL BE NO ACROSS-THE-BOARD  
INCREASE IN MEAT PRICES IN THE FORESEEABLE FUTURE.  
THE REASON FOR THIS, AS STATED BY ONE OFFICIAL, HAS SIMPLY BEEN  
GOVERNMENT NERVOUSNESS OVER WHAT MIGHT HAPPEN IF A  
HIGH, QUANTUM JUNP WERE SUDDENLY ATTEMPTED, ESPECIALLY SINCE  
THE GIVERNMENT IS UNABLE TO PLACE LARGE ADDTIONAL SUPPLIES  
OF MEAT ON THE MARKET. IT THUS APPEARS THAT PRICES AND QUNATI-  
TIES AND QUALITY OF MEAT IN REGULAR STORES WILL REMAIN  
LOW WHILE THE SO-CALLED SPECIALTY, "COMMERCIAL", SHOPS WILL OPERATE  
AS A SAFETY VALVE FOR CONSUMERS FED UP TIWH WAITING IN LINE  
FOR BAD CUTS AT LOW PRICES. IN SOME RESPECTS THE SYSTEM IS  
AN INGENIOUS ONE.

6. THE REPORTS CIRCULATING IN KRAKOW AND  
IN OTHER PARTS OF THE COUNTRY, PROBABLY  
REFLECT BOTH FACT  
AND FEAR. MEAT PRICES IN SPECIALTY SHOOPS HAVE JUST

BEEN INCREASED AND MAY WELL BE SCHEDULED TO INCREASE EVEN  
FURTHER. MEAT PRICES IN ORDINARY STORES HAVE NOT BEEN  
INCREASED AND SO FAR AS WE KNOW  
ARE NOT SCHEDULED TO BE INCREASED,  
ALTHOUGH IT IS UNLIKELY THE GOVERNMENT CAN PROVE THIS  
LATTER POINT TO A DISGRUNTLED NERVOUS CITIZENRY.

7. WE SUSPECT THAT POPULAR FEARS HOWEVER MAY BE CORRECT  
ON ONE POINT, NAMELY A GROWING TENDENCY TOWARD SUPPLY OF  
THE BEST GRADES OF MEAT TO THE "COMMERCIAL" SHOPS WITH STATE  
STORES GETTING WHAT IS LEFT. AND OVER THE NEXT FEW YEARS THE  
NUMBER OF COMMERCIAL SHOPS MAY INCREASE AS THE NUMBER OF  
STATE STORES DECLINE.

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PAGE 04      WARSAW 05195 201436Z

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MEATS, PRICES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 20 jun 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Enclosure:** n/a  
**Executive Order:** GS  
**Errors:** N/A  
**Expiration:**  
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**Review Exemptions:** n/a  
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**Subject:** KRAKOW RUMORS OF PLANNED INCREASES IN MEAT PRICES  
**TAGS:** ETRD, ECON, EPAP, SOCI, PINT, PL  
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